



AMERICAN PUBLIC GAS ASSOCIATION

September 24, 2008

The Honorable Steny H. Hoyer
Majority Leader
U.S. House of Representatives
1705 Longworth House Office Building
Washington, D.C. 20515

Dear Majority Leader Hoyer:

On behalf of over 700 publicly-owned, not-for-profit, natural gas retail distribution systems across thirty-six U.S. states, the American Public Gas Association (APGA) strongly supports full funding of the Low Income Home Energy Assistance Program (LIHEAP) as part of the FY 09 Continuing Resolution. APGA also strongly urges that the Continuing Resolution not include moratoria language that would prohibit natural gas exploration in the Outer Continental Shelf (OCS). In addition, APGA strongly supports the passage of additional market transparency language to protect consumers and urges that this legislation also be included as part of the Continuing Resolution.

LIHEAP plays a critical role in helping low and fixed income families meet their heating and cooling needs. Low-income households spend on average 15 percent of their budget on home energy costs, while other households only spend roughly 3.4 percent of their annual budget on such costs. The need for the increase is in response to the severe decline in the program's purchasing power as a result of continued high energy prices. For example, between FY 2003 and FY 2007 the purchasing power of the average LIHEAP grant for natural gas declined from 58.2 percent to 37.6 percent. Increased funding will make a significant difference to the lives of some of the least-fortunate families across America who often times have to make the difficult decision between paying their energy bills versus paying for other necessities like medication or childcare.

Another action that can be taken to provide relief to energy consumers is to increase domestic supply. APGA has long-maintained that increasing supply is a fundamental component of the solution to long-term affordable natural gas. We have abundant and untapped domestic natural gas resources currently off-limits. Given the advances in drilling technology, we can access those supplies in an environmentally safe and sound manner.

It is APGA's understanding that language included in previous years that prohibited natural gas exploration in onshore and offshore federal areas will not be included in the Continuing Resolution. Rising energy prices and tighter supplies are two of the most pressing issues today facing consumers, businesses and industries across the nation. It is more important than ever that

the federal government allow access to offshore energy resources as soon as all necessary environmental protections have been put in place. APGA commends Congress for its recognition of this fact and we look forward to working with you to provide consumers with relief from high energy prices.

One last item that APGA continues to raise is the passage of additional energy market transparency language before Congress adjourns. Public gas systems depend on energy commodity markets. Unfortunately, our confidence in these markets has been severely shaken over the last several years. The passage of additional market transparency language, similar to the language included in both the *Stop Excessive Energy Speculation Act* (S. 3268) and the recently House-passed *Commodity Markets Transparency and Accountability Act* (H.R. 6604), would establish the additional transparency necessary in the over-the-counter market to help prevent manipulation, excess speculation and other market abuses. Additional market transparency measures are needed to restore consumer confidence and protect energy consumers from a systemic failure in energy markets similar to the one we are experiencing in capital markets.

I thank you in advance for your consideration of our views and look forward to working with you towards providing natural gas consumers with the long-term affordable energy and consumer protection measures they so richly deserve.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Kalisch". The signature is fluid and cursive, with a large initial "B" and "K".

Bert Kalisch
President & CEO